on interest as utilised by tKe Chairman oi Indian Express for advancing interest free loans and for other nonbusiness purposes;

(b) if so, what are the reasons for not stopping the loans by the respective bonks when the loans were not used for the purpose for which they were raised; and

(c) what steps are being taken to recall the loans with interest and within what period?

THE MINISTER OF STATE TN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALERIO): (a) The Income Tax records show that the Chairman, Indian Express had borrowed funds oa interest from certain companies of his group and had in turn, given interest free advances to other persons, resulting in losses to himself. In the assessments fcr the assessment year 1984-85 and 1985-86. the assessing officer found that the business losses shown by the Chairman arose mainly from deductions I0r interest payments. He held that considerable portion of the money borrowed on interest was utilised by the Chairman for advancing interest-free loans and for other non-business purnoses. Accordingly he disallowed substantial amount Of interest payments. The assesses has disputed these disallowances in appeal.

(b) and (c) Banks take action as appropriate in dealing with individual accounts. However, in accordance with statutes governing banks and practices ann usages customary amongst bankers, banks cannot divulge information rotating to their individual constituents.

Interest Free Advances given by the Chairman. Indian Express

1013. SHRI SATYA PRAKASH MALAVIYA: Will the Ministe',- of FINANCE be pleased to refer to the answer t0 Unstarred Question 817 given in the Rajya Sabha on the 17th j November, 1988 and state;

(a) whether it is a fact that interest free advances were made by the Chairman of Indian Express against the receipt of cash not recorded in the books of account from those persons, firms and companies to whom advances were made:

(b) if so, what are the details of the persons, firm and companies to whom advances were made and the purposes for which these advances were used by them; and

(c) the steps Government propose to take in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) Thre is no evidence yet that the Chairman of the Indian Express group of companies had made interest-free advances to persons, firms and companies against receipts of cash which those borrowers did not record in their books of ccounts.

(b) and (c) D0 not arise.

States' request for consultations before raising Pay Scales of Central Government Employees

101-1. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE be pleased to state:

(al whether the State Governments have requested the Central Government to take the States into confidence while revising the pay scales of their employees; and

(b) if so. what is the Central Government's reaction to the request of the State Governments?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE

IN THE MINISTRY OF FINANCE; (SHRI B. K. GADHVI): (a) and (b) Ag per the terms of reference of the Fourth Pay Commission, the Commission was required to make its recommendations having regard inter alia to the prevailing pay structure under the State Governments. The Commission had complied with this requirement before making their recommendations en the revision of pay scales of Central Government servants and other matters. However, the Government of India did not accept a suggestion from R State Government for discussing the implications of the implementation 0{ the recommendations of the Fourth Pa$_v$ Commission on the finances of the State Governments and plan outlays.

Decisions taken at the meeting of Chief Ministers

1015. SHRI PARVATHANENI UP-ENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether he had convened a meeting $_0$f the Chief Ministers on February 9 and 1C this year;

(b) if so, what were the subjects discussed at the meeting and the decisions taken thereat; and

(c) whether some Chief Ministers had registered their dissent to the decisions?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) Yes, Sir.

(b) The subjects discussed in the meeting! include levy of tax on inter-State consignment of goods levy of discriminatory rates of sales tax by the States and Union Territories, the question of extending levy of additional excise duties in lieu of sales tax on 5 additional commodities, evasion of gales tax by bogus booking of ids hy rail, monitoring and implementation of externally aided projects in States, constraints in the opening of bank branches, assistance from the State Governments for recovery of overd ues by commercial banks, profes-sionalisation of the posts of Directors and Chief Executives of State Financial Corporations and State Industrial Development Corporations, group insurance scheme for landless agricultural labourers, hut insurance scheme for poor families in rural areas and recovery of overdues from State Electricity Boards.

Detailed discussions were held on these subjects and it was agreed to take further action in the light of the decisions-taken[discussions held. Some of the important items on which consensus was arrived at include levy of tax on intre-State consignment of goods and various modalities connected thereto, adoption of minimum floor-level rates recommended by the Committee of Sales Tax Commissioners in respect of 20 identified items and not to extend the scheme of levy of additional excise duties in lieu of sales tax on 5 additional commodities, for the present.

(c) Seme of the Chief Ministers expressed reservation for giving con-curre it power of exemption to the Centre from the levy of consignment tax *i* nd desired their reservation *to* be registered, but thev agreed to the issue of guidelines by the Centre,.

Pollution of Loktak Lake

1016. DR. YELAMANCHILI SIVAJI: Will the Minister of ENVI-RONMENT AND FORESTS he pleased to state;

(a) whether it i$_s$ a fact that Locals., the largest natural lake in Eastern India is now in a highly polluted state an$_f$i its very existence is threatened; and